

INTERSTATE POWER COMPANY  
BALANCE SHEETPAPAGE: 1  
DATE: 07/10/01  
DATE: 07/10/01  
TIME: 22:11:46

JUNE

	2001	2000	VARIANCE
<b>ASSETS</b>			
<b>UTILITY PLANT IN SERVICE:</b>			
ELECTRIC	952,820,412	927,476,535	25,343,877
GAS	80,088,971	75,971,087	4,117,884
OTHER	15,105,164	5,522,338	9,582,827
LESS: ACCUM. DEPRECIATION	-541,419,626	-515,490,755	(25,928,871)
TOTAL NET PLANT IN SERVICE	506,594,922	493,479,205	13,115,717
CONSTRUCTION WORK IN PROGR.	20,327,060	21,044,934	(717,874)
TOTAL UTILITY PLANT, NET	526,921,982	514,524,139	12,397,843
<b>OTHER PROPERTY, PLANT &amp; EQUIP</b>			
NON-UTILITY PROPERTY	251,278	149,835	101,443
WORK IN PROGRESS	29,501	101,443	(71,942)
LESS: ACCUM. DEPRECIATION	-67,998	0	(67,998)
TOTAL OTHER PROP, PLANT, EQP	212,781	251,278	(38,497)
TOTAL PROP, PLANT & EQUIP	527,134,763	514,775,418	12,359,345
<b>INVESTMENTS:</b>			
SUBSIDIARY INVESTMENTS	20,000	0	20,000
CASH SUR. VALUE OF LIFE INS.	2,265,486	2,037,572	227,914
OTHER INVESTMENTS	4,891,111	4,670,824	220,287
TOTAL INVESTMENTS	7,176,597	6,708,396	468,201
<b>CURRENT ASSETS:</b>			
CASH	1,273,652	2,234,314	(960,663)
TEMPORARY CASH INVESTMENTS	0	0	0
TCI - AFFILIATED COMPANIES	0	0	0
CUSTOMER ACCOUNTS RECEIVABLE	5,595,252	25,425,207	(19,829,956)
OTHER ACCOUNTS RECEIVABLE	1,712,899	2,333,454	(620,556)
ACCRUED UTILITY REVENUE	10,177,689	7,860,566	2,317,123
NOTES RECEIVABLE - CURRENT	819,598	387,432	432,166
ALLOW FOR DBTFL ACT-A/R CUST	-346,367	-1,082,334	735,967
ALLOW FOR DBTFL ACT-A/R OTHR	0	0	0
ACCOUNTS RECEIVABLE -INTERCO	1,033,208	701,161	332,047
INCOME TAX REFUNDS REC	0	0	0
PRD FUEL EXCLUDING NUC FUEL	16,217,519	21,362,491	(5,144,973)

IP  
11/3/02010628  
3.12

09/26/01 WED 10:48 FAX 3193984470

IES ACCOUNTING

E,  
IPC  
Interstate Power Company  
Docket #01-0628  
Exhibit No. 3.12

INTERSTATE POWER COMPANY  
BALANCE SHEET

JUNE

	2001	2000	VARIANCE
MATERIALS AND SUPPLIES	6,051,025	5,710,466	340,559
GAS IN STORAGE	1,884,328	1,288,142	596,186
REGULATORY ASSETS - CURRENT	5,631,256	10,878,169	(5,246,913)
CASH ON DEPOSIT WITH TRUSTEE	918,043	764,971	153,072
CURRENT DERIVATIVE ASSET	0	0	0
PREPAYMENTS AND OTHER	275,743	54,884	220,859
TOTAL CURRENT ASSETS	51,243,843	77,918,923	(26,675,081)
OTHER ASSETS:			
REGULATORY ASSETS - LT	64,520,519	58,179,059	6,341,460
NOTES RECEIVABLE - NON-CURR	576,667	1,013,333	(436,667)
UNAMORTIZED DEBT EXPENSE	1,108,221	1,175,961	(67,739)
NON-CURRENT DERIVATIVE ASSET	0	0	0
DEFERRED CHARGES AND OTHER	-356,169	201,674	(557,842)
TOTAL OTHER ASSETS	65,849,238	60,570,026	5,279,212
TOTAL ASSETS	651,404,441	659,972,764	(8,568,322)
LIABILITIES			
CAPITALIZATION:			
COMMON STOCK	-133,166,645	-133,166,645	0
PAID-IN-SURPLUS	-9,713,544	-9,773,411	59,867
RETAINED EARNINGS	-80,926,877	-76,096,448	(4,830,429)
OTHER COMPREHENSIVE INCOME:			
CUMM EFF OF CHNGS IN ACTNG	0	0	0
ACCUM DERIVATIVE GAIN/LOSS	0	0	0
TOTAL COMMON EQUITY	-223,807,066	-219,036,504	(4,770,562)
PREF STOCK(OPT SINKING FUND)	-10,819,050	-10,819,050	0
PREF STOCK(MND SINKING FUND)	-24,768,940	-24,611,798	(157,142)
LONG-TERM DEBT	-170,445,526	-170,356,816	(88,710)
ADV FROM ASSOC COMPANIES	-4,413,219	-2,917,858	(1,495,361)
TOTAL CAPITALIZATION	-434,253,801	-427,742,026	(6,511,775)
CURRENT LIABILITIES:			
DEBT MATURITIES&SINKING FUND	0	0	0

INTERSTATE POWER COMPANY  
BALANCE SHEETPAPAGE: 3 3  
DATE: 07/10/01  
DATE: 07/10/01  
TIME: 22:11:46

JUNE			
	2001	2000	VARIANCE
COMMERCIAL PAPER	0	0	0
NOTES PAYABLE	0	0	0
NOTES PAYABLE ASSOC CO.	-39,851,613	-50,108,274	10,256,661
CAP. LEASE OBLIG.-CURRENT	-13,814	-13,814	0
ACCOUNTS PAYABLE	-9,796,964	-11,164,556	1,367,591
DIVIDENDS PAYABLE - COMMON	0	0	0
DIVIDENDS PAYABLE - PREF	-598,570	0	(598,570)
ACCOUNTS PAYABLE - ASSOC CO	-7,275,755	-9,199,858	1,924,103
ACCRUED PAYROLL & VACATION	-2,903,665	-2,557,289	(346,376)
ACCRUED INTEREST	-2,506,255	-2,513,122	6,867
ACCRUED INCOME TAXES	1,656,649	-845,228	2,501,877
ACCRUED OTHER TAXES	-13,333,190	-12,769,929	(563,260)
ENVIRONMENTAL LIABILITIES	-1,112,000	-1,510,990	398,990
ENERGY ADJUSTMENT CLAUSE BAL	3,058,552	934,108	2,124,443
PROVISION FOR RATE REFUND	-101,086	0	(101,086)
CURRENT DERIVATIVE LIABILITY	-1,363,985	0	(1,363,985)
OTHER CURRENT LIABILITIES	-2,288,352	-2,947,449	659,097
TOTAL CURRENT LIAB.	-76,430,050	-92,696,401	16,266,352
DEFERRED CR'S & OTHER N/C LIAB			
ACCUM DEFERRED INCOME TAXES	-92,639,793	-90,025,932	(2,613,861)
ACCUM DEFERRED INV TAX CR	-12,310,886	-13,346,475	1,035,589
PENSION & OTH BENEFIT OBLIG.	-8,974,086	-9,914,263	940,177
CAP. LEASE OBLIG. NON-CUR	-47,895	-59,205	11,310
ENVIRONMENTAL LIABILITIES	-14,164,035	-14,863,458	699,423
CUSTOMER ADVANCES FOR CONSTR	-432,052	-422,313	(9,739)
NON-CURRENT DERIVATIVE LIAB.	0	0	0
OTHER LONG-TERM LIABILITIES	-12,151,844	-10,902,690	(1,249,153)
TOTAL LONG-TERM LIAB	-140,720,591	-139,534,336	(1,186,255)
TOTAL CAPITAL & LIAB	-651,404,441	-659,972,764	8,568,322

09/26/01 WED 10:49 FAX 3193984470

IBS ACCOUNTING

004

1PC

*Description of Methods Used*

### Composites

OLS Betas and Sum Betas are calculated for composites from the historical time series of their returns. The same regressions are performed for the composites and the companies, but with composite returns instead of company returns. Each regression results in a regression beta and a standard error, which can be used in the shrinkage formula.

The peer group beta of a composite is calculated by taking the capitalization weighted average of the peer group betas of the companies that make up the composite.<sup>2</sup> Each adjusted beta is calculated by shrinking the regression beta towards the peer group using the Vasicek formula for the weight.

### Levered Beta

A levered beta measures the systematic risk for the equity shareholders of the company. No adjustment is made for the debt financing undertaken by the company. A levered equity beta incorporates the business and financing risks undertaken by the company and born by the equity shareholders.

For each company and for each composite, we calculate the Raw Ordinary Least Squares Beta, Adjusted Ordinary Least Squares Beta, the Adjusted Sum Beta (Including Lag), and estimates of systematic risk.

### Unlevered Betas

The unlevered beta (also known as asset beta) removes a company's financing decision from the beta calculation. The unlevered beta reflects a company's business risks. The unlevered beta is computed as follows:

$$\beta_{ui} = \frac{\beta_{Li}}{1 + \frac{BD_i}{EC_i}(1 - t_i)}$$

where,

$$BD_i = STD_i + LTD_i + PSTK_i$$

$$EC_i = P_i \times S_i$$

- $\beta_{ui}$  = the unlevered beta for company  $i$ ;
- $\beta_{Li}$  = the levered beta for company  $i$ ;
- $BD_i$  = Book debt for company  $i$ ;
- $EC_i$  = Equity capitalization for company  $i$ ;

<sup>2</sup> When analyzing unlevered betas, total value (debt plus equity) weights are used instead of equity value weights.

01-0628  
IP  
3.13  
11/3/02